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安徽皖通高速公路股份有限公司

ANHUI EXPRESSWAY COMPANY LIMITED

(incorporated in the People's Republic of China with limited liability as a joint stock company)

(Stock Code: 995)

ANNOUNCEMENT

CONTINUING CONNECTED TRANSACTIONS:

- (1) CEMENT PURCHASE CONTRACT;**
(2) CIVIL ENGINEERING CONSTRUCTION CONTRACT; AND
(3) CENTRAL LABORATORY CONTRACT

(1) Cement Purchase Contract

On 19 January 2023, Guangxuan Company, a subsidiary of the Company, entered into the Purchase Contract with (among others) ATMT. Pursuant to the Purchase Contract, Guangxuan Company agreed to purchase cement for the Widening Work from ATMT. The Users to the Purchase Contract are responsible for compiling and submitting the material consumption plan, quality inspection, storage and use of the material.

(2) Civil Engineering Construction Contract

On 19 January 2023, Guangxuan Company entered into the Construction Contract with ATEGC. Pursuant to the Construction Contract, Guangxuan Company shall engage ATEGC to provide construction services for contract section GX-07 of the civil engineering construction project under the Widening Work.

(3) Central Laboratory Contract

On 19 January 2023, Guangxuan Company entered into the Central Laboratory Contract with Experiment Research Centre. Pursuant to the Central Laboratory Contract, Guangxuan Company shall engage Experiment Research Centre to provide construction inspection and testing services for contract section GX-ZXSYS of the Widening Work.

IMPLICATIONS UNDER THE LISTING RULES

Anhui Transportation Holding Group is currently holding approximately 31.63% of the total issued shares of the Company, and is the controlling shareholder and a connected person of the Company as defined under the Listing Rules. As ATMT and ATEGC are wholly-owned subsidiaries of Anhui Transportation Holding Group, and Experiment Research Centre is a subsidiary of Anhui Transportation Holding Group, under Chapter 14A of the Listing Rules, ATMT, ATEGC and Experiment Research Centre are associates of Anhui Transportation Holding Group and are connected persons of the Company. Accordingly, the transactions under the Purchase Contract, the Construction Contract and the Central Laboratory Contract constitute continuing connected transactions of the Company.

As the highest applicable percentage ratio in respect of the continuing connected transactions under the Purchase Contract, the Construction Contract and the Central Laboratory Contract exceeds 0.1% but does not exceed 5% on an annual basis, and such transactions are conducted on normal commercial terms, they are exempt from the requirement of approval by independent shareholders of the Company, but shall be subject to the announcement, annual reporting and annual review requirements under Chapter 14A of the Listing Rules.

BACKGROUND

Guangxuan Company is currently undertaking the construction of the reconstruction and widening work (the “**Widening Work**”) of the Guangde to Xuancheng section of the Shanghai-Chongqing National Expressway in Anhui Province. Due to the construction needs, Guangxuan Company has organized biddings for cement procurement for civil engineering work; civil engineering construction; and central laboratory, for the Widening Work, and ATMT, ATEGC and Experiment Research Centre won the bids respectively. On 19 January 2023, Guangxuan Company signed the following contracts respectively with the awardees in respect of the above services:

PURCHASE CONTRACT

Date: 19 January 2023

Parties :

- (1) Guangxuan Company (as the purchaser);
- (2) ATMT (as the supplier), a company incorporated under the laws of the PRC and a wholly-owned subsidiary of Anhui Transportation Holding Group, and a connected person of the Company under the Listing Rules;
- (3) Anhui Lugang Engineering Co., Ltd. (as a user) (“Anhui Lugang”);
- (4) CCCC Third Highway Engineering Co., Ltd. (as a user) (“CCCC Highway”);
- (5) China Railway Tunnel Group Co., Ltd. (as a user) (“China Railway Tunnel”);
- (6) China Railway 23rd Bureau Group Co., Ltd. (as a user) (“China Railway Group”);
- (7) Guizhou Bridge Construction Group Co., Ltd. (as a user) (“Guizhou Bridge Construction”);
- (8) Road & Bridge International Co., Ltd. (as a user) (“Road & Bridge International”); and
- (9) Anhui Transportation Engineering Group Co., Ltd. (as a user) (“ATEGC”).

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the Users to the Purchase Contract are third parties independent of and not connected with the Company (or any of its subsidiaries) and its connected persons except for the ATEGC, which is a wholly-owned subsidiary of Anhui Transportation Holding Group and the sole shareholder of ATMT.

SUBJECT MATTERS

Pursuant to the Purchase Contract, Guangxuan Company agreed to purchase P.O42.5 and P.O52.5 bulk cement for the Widening Work from ATMT. The Users to the Purchase Contract are responsible for compiling and submitting the material consumption plan, quality inspection, storage and use of the material.

AGREEMENT TERM

The term of supply shall be tentatively from January 2023 to May 2025, subject to the actual needs of the Users to the Purchase Contract.

PRICES

Pursuant to the Purchase Contract, the total fees charged by ATMT to Guangxuan Company is tentatively RMB257,393,328.00. The amount was calculated based on the estimated purchase volume and unit price as set out in the quotation list provided by ATMT.

The unit bidding price of cement supplied by ATMT is as follows:

P.O42.5 cement: RMB375/tonne;

P.O52.5 cement: RMB422/tonne.

The above price will be adjusted monthly from the date of on-site supply and calculated as follows:

Unit settlement price = Unit bidding price + (“Comparative price” – “Benchmark price”)

Of which: the comparative price is the price announced in the Price Information of Hefei Construction Project Market* (《合肥建設工程市場價格信息》) issued by Hefei Urban and Rural Construction Committee in the month of delivery for the corresponding products, and the benchmark price is the price announced in the Price Information of Hefei Construction Project Market published in the month within which the 28th day prior to the opening of the tender (i.e. September 2022) for the relevant products fell.

BASIS FOR PRICES AND PAYMENT TERMS

The unit price of the Purchase Contract is the successful bid price submitted by ATMT in the tender for the provision of products under the Purchase Contract. To ensure that the price is on normal commercial terms, the Purchase Contract shall be awarded to a supplier selected by way of open tender. At least 3 suppliers have participated in the tender and the tender process has complied with the relevant local regulations. The factors considered by the Company in the bidding procedure include (i) the terms of tender proposals offered by the participating bidders, including the tender prices and their responses to the tender terms; (ii) the background, qualifications and financial position of the participating bidders; (iii) the expected workload; (iv) the financial budget of the relevant service; and (v) the past tender contract unit price and the charging standards prescribed by the national laws and regulations, and a bid price ceiling is set. In addition, the Purchase Contract has set a mechanism whereby the purchase price is adjusted on a monthly basis with reference to the Price Information of Hefei Construction Project Market.

According to the Purchase Contract, after the products are delivered to the site and passed the on-site inspection, Guangxuan Company will make measurement and payment on a monthly basis. Upon the making of each payment, 3% of the measured amount will be deducted as quality guarantee deposit. 70% of the total quality guarantee deposit shall be refunded to ATMT within 30 days after the subgrade construction has passed the completion acceptance and there is no quality problem with the products, and the remaining 30% shall be refunded within 30 days after the Widening Work has passed the completion acceptance and there is no quality problem with the products.

The aforementioned amount will be paid out of Guangxuan Company's construction funds.

CONSTRUCTION CONTRACT

Date: 19 January 2023

Parties

- (1) Guangxuan Company (as the service user); and
- (2) ATEGC (as the service provider), a connected person of the Company under the Listing Rules.

SUBJECT MATTERS

Pursuant to the Construction Contract, Guangxuan Company shall engage ATEGC to provide construction services for contract section GX-07 of the civil engineering construction project of the Widening Work, including pavement engineering and bridge and culvert engineering within the scope of the section, covering construction, delivery and inspection, defect period repair, etc..

AGREEMENT TERM

The construction period under the Construction Contract is 12 months, and the commencement time of the works shall be pursuant to the instruction of the supervisor.

FEES

Pursuant to the Construction Contract, the total fees charged by ATEGC to Guangxuan Company is tentatively RMB232,229,427.16.

BASIS FOR FEES AND PAYMENT TERMS

The contract fee is the successful bid price submitted to Guangxuan Company in the tender for the provision of services under the Construction Contract. To ensure that the price is on normal commercial terms, the Construction Contract shall be awarded to a service provider selected by way of open tender. At least 3 service providers have participated in the tender and the tender process has complied with the relevant local regulations. The factors considered by the Company in the bidding procedure include (i) the terms of tender proposals offered by the participating bidders, including the tender prices and their responses to the tender terms; (ii) the background, qualifications and financial position of the participating bidders; (iii) the expected workload; (iv) the financial budget of the relevant service; and (v) the past tender contract unit price and the charging standards prescribed by the national laws and regulations, and a bid price ceiling is set.

According to the relevant terms of the Construction Contract and as confirmed by the parties, the project fees under the Construction Contract will be paid to ATEGC on a monthly basis in accordance with the progress of the project. Cumulatively up to 97% of the approved construction fee shall be paid upon the passing of acceptance inspection; after the final audit of the completion and upon confirmations by the project office and the supervisor that the defects, remaining works (e.g. reclamation of the gravel-soil-taken field) and local debts have been dealt with, cumulatively up to 99% of the final audited amount (the remaining 1% being the reserve for the project settlement) shall be paid, and up to 100% of the final audited amount upon completion and acceptance and confirmation from the user that there are no quality defects shall be paid. No quality guarantee deposit shall be deducted before delivery and acceptance. Within 14 days after the issuance of the Delivery and Acceptance Certificate, a quality guarantee deposit equal to 3% of the contract price shall be paid by ATEGC to Guangxuan Company.

The aforementioned fees will be paid out of Guangxuan Company's construction funds.

CENTRAL LABORATORY CONTRACT

Date: 19 January 2023

Parties

- (1) Guangxuan Company (as the service user); and
- (2) ATEGC (as the service provider), a connected person of the Company under the Listing Rules.

SUBJECT MATTERS

Pursuant to the Central Laboratory Contract, Guangxuan Company shall engage Experiment Research Centre to provide construction inspection and testing services for contract section GX-ZXSYS of the Widening Work, including testing and inspection of the quality of full line subgrade, pavement, bridges and culverts, traffic safety facilities, prefabricated components and other engineering entity, as well as raw materials, finished materials, semi-finished materials, etc.; special inspection of bridge pile foundations, bridge bearing pads and bearings, appearance of bridge structures, steel structures, traffic safety facilities, etc.; cooperation with delivery (completion) and acceptance inspection, etc..

AGREEMENT TERM

The construction inspection and testing period under the Central Laboratory Contract is 28 months, and the inspection and testing is scheduled to start in January 2023.

FEES

Pursuant to the Central Laboratory Contract, the total fees charged by Experiment Research Centre to Guangxuan Company is tentatively RMB15,465,710.

BASIS FOR FEES AND PAYMENT TERMS

The contract fee is the successful bid price submitted to Guangxuan Company in the tender for the provision of services under the Central Laboratory Contract. To ensure that the price is on normal commercial terms, the Central Laboratory Contract shall be awarded to a service provider selected by way of open tender. At least 3 service providers have participated in the tender and the tender process has complied with the relevant local regulations. The factors considered by the Company in the bidding procedure include (i) the terms of tender proposals offered by the participating bidders, including the tender prices and their responses to the tender terms; (ii) the background, qualifications and financial position of the participating bidders; (iii) the expected workload; (iv) the financial budget of the relevant service; and (v) the past tender contract unit price and the charging standards prescribed by the national laws and regulations, and a bid price ceiling is set.

According to the relevant terms of the Central Laboratory Contract and as confirmed by the parties, the service fees of the experiment contract, including the experiment personnel service fee, experiment office facility fee, experiment transportation facility fee, experiment facility fee, living facility fee, special testing fee, etc., shall be paid to Experiment Research Centre on a quarterly basis. Among them:

Experiment personnel service fee, experiment transportation facility fee shall be paid quarterly according to the proportion of the total measurement expenses of the construction bid section being tested by the Central Laboratory in the current quarter to the total contract amount (excluding the tentative payment), and the fees for personnel and vehicles that do not meet the contract requirements shall be deducted;

Experiment office facility fee, experiment facility fee, and living facility fee shall be paid in three installments according to the actual input within the scope of the contract amount: 30% after the completion of the land construction, 40% after the commencement of road construction, and 30% after the delivery and acceptance;

Special testing fee shall be paid in accordance with the actual expenses incurred within the scope of the contract amount.

Each payment will be made by deducting 5% as guarantee deposit (including 2.5% project quality guarantee deposit + 2.5% internal data guarantee deposit), and the remaining fees such as guarantee deposit will be paid in full or in proportion after the completion and acceptance and the conditions stipulated in the contract are met.

The aforementioned amount will be paid out of Guangxuan Company's construction funds.

ANNUAL CAPS

The maximum aggregate annual values (i.e. the Annual Caps) under the Purchase Contract for each financial year ending 31 December 2023, 2024 and 2025 shall be RMB110,000,000, RMB110,000,000 and RMB38,000,000, respectively, which have been determined with reference to (1) the estimated construction volume, including the wastage volume; (2) the contractual unit price or gross price and (3) expected progress of the construction, etc..

The maximum aggregate annual values (i.e. the Annual Caps) under the Construction Contract for each financial year ending 31 December 2023, 2024 and 2025 shall be RMB30,000,000, RMB150,000,000 and RMB90,000,000, respectively, which have been determined with reference to (1) the estimated construction volume, including the wastage volume; (2) the contractual unit price or gross price and (3) expected progress of the construction, etc..

The maximum aggregate annual values (i.e. the Annual Caps) under the Central Laboratory Contract for each financial year ending 31 December 2023, 2024 and 2025 shall be RMB4,580,000, RMB6,790,000 and RMB4,095,710, respectively, which have been determined with reference to (1) the estimated amount of work; (2) the contractual unit price or gross price and (3) expected progress of the construction, etc..

REASONS FOR AND BENEFITS OF THE CONTRACTS

The works under the Construction Contract and the Central Laboratory Contract are necessary for the Widening Work, and the transactions under the Purchase Contract are for the purpose of purchasing of raw materials for the civil engineering works of the Widening Work. To ensure that the Widening Work would be carried out in a timely manner with appropriate quality and quantity, Guangxuan Company selected the suppliers for the abovementioned cement procurement, civil construction and central laboratory works by way of public tenders. ATMT, ATEGC and Experiment Research Centre won the bids to become the suppliers/service providers. In particular, ATEGC has the qualifications related to maintenance, traffic

safety and electromechanical, such as the first-grade qualification for general contracting of highway engineering construction, the first-grade qualification for professional contracting of highway pavement engineering, the first-grade qualification for professional contracting of highway safety facilities, and the second-grade qualification for professional contracting of highway subgrade; Experiment Research Centre has the integrated first-grade qualification for highway engineering testing and inspection.

CONFIRMATION BY THE BOARD

At the 28th meeting of the ninth session of the Board of the Company held on 19 January 2023, the resolutions in relation to the approval of the transactions under the Purchase Contract, the Construction Contract and the Central Laboratory Contract was considered and approved. Xiang Xiaolong, Yang Xiaoguang, Tao Wensheng and Chen Jiping, being directors of the Company, are directors or senior management of Anhui Transportation Holding Group and/or directors nominated by Anhui Transportation Holding Group. Therefore, Xiang Xiaolong, Yang Xiaoguang, Tao Wensheng and Chen Jiping are deemed to have interests in the transactions under the Purchase Contract, the Construction Contract and the Central Laboratory Contract, and have abstained from voting on the resolution on the continuing connected transactions under the Purchase Contract, the Construction Contract and the Central Laboratory Contract under the Listing Rules.

Save as aforesaid, none of the directors have any material interests in the Purchase Contract, the Construction Contract and the Central Laboratory Contract or are required to abstain from voting on the relevant Board resolution.

After considering the abovementioned reasons and benefits, the Directors (including the independent non-executive Directors) are of the view that the terms and Annual Caps under the Purchase Contract, the Construction Contract and the Central Laboratory Contract are fair and reasonable and on normal commercial terms and such continuing connected transactions under the Purchase Contract, the Construction Contract and the Central Laboratory Contract are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE PARTIES

Guangxuan Company is mainly engaged in highway management and maintenance; construction engineering design; catering services; accommodation services; retail of refined oil products (excluding hazardous chemicals); repair and maintenance of motor vehicles; general merchandise sales; advertising design and agency; advertising production, etc..

ATMT is mainly engaged in building materials sales; manufacturing of non-metallic minerals products; sales of non-metallic minerals and products; metal materials sales; sales of surface functional materials; sales of building and ornament materials; sales of anticorrosive materials; sales of ecological environment materials, etc..

ATEGC is mainly engaged in construction works; construction specialised work; PC railway bridge simple support products production; production of steel reinforcement products for construction; construction of landscaping projects; manufacturing of concrete structure components; sales of concrete structure components; manufacturing of cement products; sales of cement products; manufacture of metal structures; sale of metal structures, etc..

Anhui Lugang is one of the contractors of the Widening Work and is mainly engaged in general contracting for highway engineering construction; general contracting for port and waterway engineering construction; general contracting for water conservancy and hydropower construction; general contracting for electromechanical engineering construction; specialised contracting for bridge engineering; specialised contracting for highway pavement engineering; specialised contracting for highway subgrade engineering; general contracting for building construction engineering, etc..

CCCC Highway is one of the contractors of the Widening Work and is mainly engaged in management of construction projects; engineering survey and design; contracting of overseas engineering projects that are compatible with its strength, size and performance, and dispatching labor personnel required for the implementation of the above overseas projects; general construction contracting; specialised contracting, etc..

China Railway Tunnel is one of the contractors of the Widening Work and is mainly engaged in construction of landscaping projects; advertisement publication (non-broadcast radio stations, television stations, newspaper and magazine publishing units); technical service, technology development, technology consultation, technology exchange, technology transfer, technology promotion; leasing of non-residential properties; housing leasing; external contracting; engineering management services; engineering and technology research and experimental development; engineering technical services (other than planning and management, survey, design and supervision), etc..

China Railway Group is one of the contractors of the Widening Work and is mainly engaged in construction works; construction engineering design; construction engineering survey; inspection and testing services; real estate development and operation; catering services; food sales; accommodation services; timber harvesting and transportation; forestry seed production and operation; construction of landscaping projects; external contracting projects, etc..

Guizhou Bridge Construction is one of the contractors of the Widening Work and is mainly engaged in project management business; leasing of machinery and construction equipment, sales and maintenance of machinery and construction equipment; construction of water conservancy and hydropower engineering; construction of port and waterway engineering; construction of building decoration engineering, etc..

Road & Bridge International is one of the contractors of the Widening Work and is mainly engaged in management of construction projects; engineering survey and design; contracting of overseas engineering projects that are compatible with its strength, size and performance, and dispatching labor personnel required for the implementation of the above overseas projects; general construction contracting; specialised contracting; urban garden greening, etc..

IMPLICATIONS UNDER THE LISTING RULES

Anhui Transportation Holding Group is currently holding approximately 31.63% of the total issued shares of the Company, and is the controlling shareholder and a connected person of the Company as defined under the Listing Rules. As ATMT and ATEGC are wholly-owned subsidiaries of Anhui Transportation Holding Group, and Experiment Research Centre is a subsidiary of Anhui Transportation Holding Group, under Chapter 14A of the Listing Rules, ATMT, ATEGC and Experiment Research Centre are associates of Anhui Transportation Holding Group and are connected persons of the Company. Accordingly, the transactions under the Purchase Contract, the Construction Contract and the Central Laboratory Contract constitute continuing connected transactions of the Company.

As the highest applicable percentage ratio in respect of the continuing connected transactions under the Purchase Contract, the Construction Contract and the Central Laboratory Contract exceeds 0.1% but does not exceed 5% on an annual basis, and such transactions are conducted on normal commercial terms, they are exempt from the requirement of approval by independent shareholders of the Company, but shall be subject to the announcement, annual reporting and annual review requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Anhui Transportation Holding Group”	Anhui Transportation Holding Group Company Limited* (安徽省交通控股集團有限公司), formerly known as Anhui Expressway Holding Group Company Limited* (安徽省高速公路控股集團有限公司), a state-owned enterprise incorporated under the PRC law
“Annual Cap(s)”	the maximum aggregate annual value(s) for the continuing connected transactions under the Purchase Contract
“ATEGC”	Anhui Transportation Engineering Group Co., Ltd.* (安徽交控工程集團有限公司), a company incorporated in the PRC with limited liability, and a wholly-owned subsidiary of Anhui Transportation Holding Group
“associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Board”	the board of directors of the Company

“Central Laboratory Contract”	the central laboratory contract entered into between Guangxuan Company and Experiment Research Centre on 19 January 2023 in respect of the construction inspection services for contract section GX-ZXSYS of the Widening Work
“Company”	Anhui Expressway Company Limited* (安徽皖通高速公路股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H shares of which are listed on the Stock Exchange, and the A shares of which are listed on the Shanghai Stock Exchange in the PRC
“Construction Contract”	Construction contract dated 19 January 2023 between Guangxuan Company and ATEGC for civil engineering construction services for contract section GX-07 of the Widening Work
“Director(s)”	director(s) of the Company
“Experiment Research Centre”	Anhui Expressway Experiment Research Centre Co., Ltd.* (安徽省高速公路試驗檢測科研中心有限公司), a company incorporated in the PRC with limited liability, which is a subsidiary of Anhui Transportation Holding Group
“Group”	the Company and its subsidiaries
“Guangxuan Company”	Anhui Province Guangxuan Expressway Limited Liability Company, a company incorporated in the PRC with limited liability and a subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratio(s)”	the percentage ratio(s) (other than the profits ratio and equity capital ratio) under Rule 14.07 of the Listing Rules
“PRC”	the People’s Republic of China, and for the sole purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Purchase Contract”	the purchase contract entered into between Guangxuan Company and ATMT on 19 January 2023 in respect of the purchase of cement under the Widening Work
“RMB”	Renminbi, the lawful currency of the PRC

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“ATMT”	Anhui Transportation Material Technology Co., Ltd.* (安徽交控材料科技有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Anhui Transportation Holding Group
“Users to the Purchase Contract”	Anhui Highway & Port, CCCC, China Railway Tunnel, China Railway Group, Guizhou Bridge Construction, Road & Bridge International and ATEGC
“Widening Work”	the proposed reconstruction and widening work in respect of the expansion of Xuanguang Expressway (Guangde-Xuancheng Section of G50 Shanghai-Chongqing Expressway) by Guangxuan Company
“%”	per cent

By Order of the Board
Anhui Expressway Company Limited
Lee Chung Shing
Company Secretary

Hefei, Anhui, the PRC
19 January 2023

As of the date of this announcement, the board of directors of the Company comprises: Xiang Xiaolong (chairman), Yang Xiaoguang, Tao Wensheng and Chen Jiping, being the executive directors; Yang Xudong and Du Jian, being the non-executive directors; and Liu Hao, Zhang Jianping and Fang Fang, being the independent non-executive directors.

This announcement is originally prepared in Chinese. If there is any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

* for identification purpose only